

## Message Text

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ACTION EUR-12

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FM AMCONGEN NAPLES IT

TO SECSTATE WASHINGTON D C 4731

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UNCLAS NAPLES 1365

E.O. 11652: N/A

TAGS: EINV, ELAB, IT

SUBJECT: PROBLEMS OF AMERICAN SUBSIDIARIES IN NAPLES

REF: A) NAPLES 1274 AND PREVIOUS; B) NAPLES 1298 AND PREVIOUS

1. THE TWO SERIOUS LABOR/MANAGEMENT PROBLEMS INVOLVING U.S. FIRMS IN NAPLES HAVE NOW BEEN RESOLVED. THE TEN-MONTH OCCUPATION OF THE GENERAL INSTRUMENT PLANT WAS LIFTED DECEMBER 20, AS OUTLINED REFTTEL A) THE GOI HAS OR WILL FIND ALTERNATE WORK FOR THE 314 DISMISSED EMPLOYEES. THE PLANT, ITS WORKFORCE REDUCED BY TWO-THIRDS (AS THE COMPANY HAD ORIGINALLY DEMANDED), WILL RE-OPEN FOLLOWING A RE-TOOLING PERIOD OF SEVERAL MONTHS.
2. THE RICHARDSON-MERRELL (R-M) SITUATION HAS ALSO BEEN RESOLVED, BUT IN A MORE COMPLICATED FASHION: ON DECEMBER 11 A DUTCH HOLDING

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COMPANY PURCHASED R-M'S NEAPOLITAN OPERATION, WHICH WAS THEN "DELEGATED" TO PISA INDUSTRIALIST GUELFO MARCUCCI (THE BIAGINI PHARMACEUTICAL FIRM). UNDER ITS NEW NAME, ISTITUTO SIEROTERAPICO ITALIANO (ISI), THE COMPANY WILL EMPLOY THE R-M WORKERS NOT FIRED EARLIER THIS YEAR. THE REMAINING ONE-THIRD (381, INCLUDING THE MUCH-DISCUSSED RESEARCH DEPARTMENT) WILL BE EMPLOYED BY THE TO-BE-FORMED CENTRO DI RICERCHE MERIDIONALE (CRM). ISI WILL HOLD A MAJORITY INTEREST IN CRM. ON DECEMBER 22, THE LAST PART OF THE PACKAGE WAS VIRTUALLY COMPLETED WHEN THE CAMPANIA REGIONAL COUNCIL AGREED THAT THE REGION ITSELF WILL TAKE A MINORITY PARTICIPATION

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IN CRM (ON CONDITION THAT THE FINANZIARIA MERIDIONALE OR OTHER

CREDIT INSTITUTION LEND ITS SUPPORT).

3. THESE TWO MAJOR PROBLEMS HAVE THUS BEEN DEFUSED "ALL'ITALIANA."

IT IS TOO EARLY TO KNOW WHAT SORT OF PRECEDENT HAS BEEN SET BY

DIRECT REGIONAL PARTICIPATION IN A PRIVATE FIRM. BUT GI GOT WHAT

IT WANTED AND R-M HAS BEEN ABLE TO SEMI-WITHDRAW PEACEFULLY (R-M

MANAGER HERNANDEZ WILL STAY ON AS A CONSULTANT AND SOME R-M PRODUCTS

WILL IN FACT CONTINUE TO BE MANUFACTURED AT THE NAPLES PLANT). ALL

THE WORKERS WILL SOON BE BACK TO WORK (OR ON CASSA INTEGRAZIONE

COMPENSATION), THE MEZZOGIORNO STILL HAS A PHARMACEUTICAL RESEARCH

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FACILITY, AND, AS FAR AS U.S. FIRMS ARE CONCERNED, THE LABOR SCENE

IS QUIET IN NAPLES. MERRY CHRISTMAS. SKOL

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## Message Attributes

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